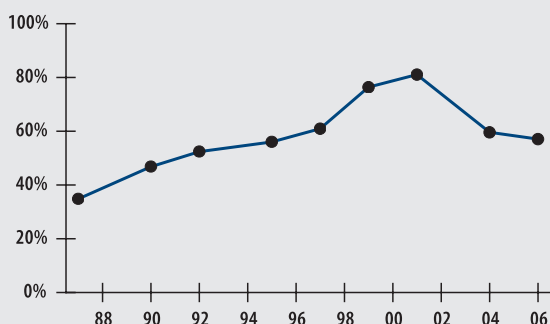
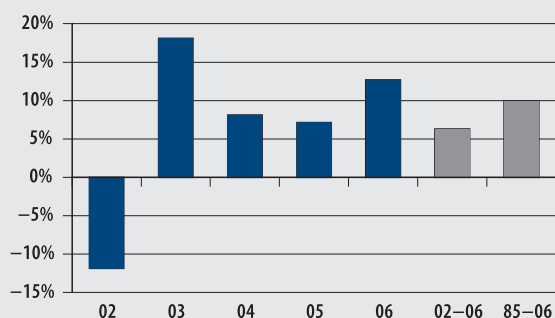


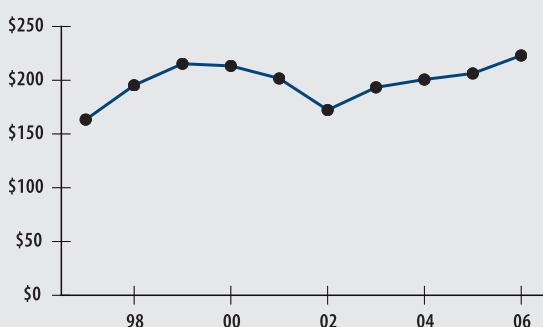
► Funded Ratio (1987-2006)



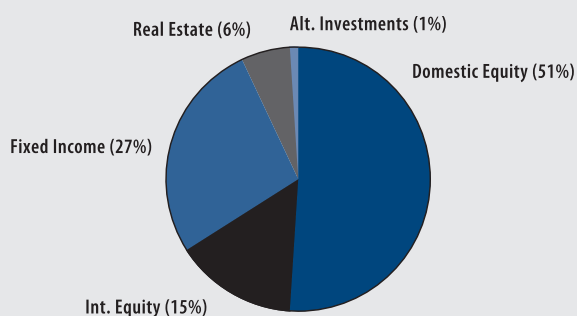
► Investment Return (2002-2006, 5 Year and 22 Year Averages)



► Asset Growth (1997-2006) (Market Value in Millions)



► Asset Allocation (12/31/06)



► ACTUARIAL

• Funded Ratio	57.1%
• Date of Last Valuation	01/06
• Actuary	PERAC
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$164 M
• Total Pension Appropriation (Fiscal 2007)	\$12.5 M

	Active	Retired
• Number of Members	1,864	1,479
• Total Payroll/Benefit	\$64.7 M	\$22.6 M
• Average Salary/Benefit	\$34,700	\$15,300
• Average Age	47	73
• Average Service	13.1 years	NA

► INVESTMENT

Domestic Equity

- Chicago Equity Partners, Inc.
- Earnest Partners, LLC
- Independence Small Cap Fund
- RhumbLine Russell 1000 Pooled Index Fund
- Voyageur Large Cap Growth Fund
- Voyageur Large Cap Value Fund

International Equity

- Acadian International All Cap Fund
- Boston Company International Equity Fund

Domestic Fixed Income

- Credos High Yield Bond Fund
- SSgA Passive Bond Market Index Fund
- SSgA Treasury Inflation Protected Securities (TIPS) Fund
- Voyageur Core Plus Fixed Income Fund

Alternative Investments

- North American Strategic Partners 2006, L.P.

Real Estate

- PRIT

Consultant

- Meketa Investment Group

Custodian

- Investors Bank & Trust

► 2006 Return	12.69%
► 2006 Target	8.33%
► 2006 Market Value	\$222.9 M
► 2002-2006 (Annualized)	6.32%
► 1985-2006 (Annualized)	9.92%